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MEMORANDUM FOR: Deputy Director (Support)
 ATTENTION: Chief, Management Staff
 THROUGH: Deputy Director/Intelligence
 SUBJECT: Proposed OIR Reorganization

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I. PROBLEM:

To establish a revised Table of Organization for the Office of Research and Reports which will reflect the best possible management structure, manpower utilization and distribution, and appropriate grade classification consistent with the effective execution of the Office mission and functions in relationship to established intelligence production priorities and authorized position ceiling.

II. FACTS:

1. The last major review and subsequent reorganization of the Office of Research and Reports occurred in November 1953.

2. Since November 1953, changes in assigned workload and priority intelligence research programs have resulted in significant increases in the intelligence production and support responsibilities in some units without commensurate increases in the Table of Organization strengths. In other units the priority workloads have not been similarly increased and corresponding formal decreases and reassignments of available manpower have not been made.

3. No collated examination of the grade structure of the economic research divisions of OIR has been completed. As a result, certain major differences in authorized Table of Organization position grade in relationship to assigned responsibilities exist among these divisions.

4. This Office has been instructed to reduce its Table of Organization and position ceiling authorization to a new total of [REDACTED] departmental positions.

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5. Much of the increased workload in some of the components of this Office has been handled through informal detail of analysts to obviously understaffed units.

6. On 1 August 1955, the Basic Intelligence Division was deleted from the Table of Organization of this Office.

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III. DISCUSSION:

A. Office of the Assistant Director and Coordination Area

1. As a result of changing areas of importance in the intelligence responsibilities of this Office, certain changes in the headquarters organization of the Office of Research and Reports are necessary to provide the maximum efficiency of management control over the divisions and staffs of this Office.

2. During the past several months it has become evident that, under present conditions, past levels of intelligence support of U.S. Economic Defense activities will probably not be required in the future. This has resulted from anticipated decreases in requirements for intelligence support resulting from expected adjustments in the scope and nature of trade controls against the Sino-Soviet Bloc in response to pressures from other participating Free World countries. It is probable that the multi-lateral strategic trade control lists will be further changed or curtailed with the subsequent reduction of the need for intelligence support to U.S. policy-making bodies, international negotiating teams, and trade control enforcement agencies.

3. A review of the results of this curtailment indicates that, at the present time, the Economic Defense intelligence support activities of the Office of Research and Reports can be accomplished with acceptable effectiveness with approximately 40% of the manpower currently devoted to this activity, particularly if this remaining capability were located organizationally and physically to insure maximum coordination with and support from the other economic research elements of this Office. It is logical, therefore, that the Services Division of the Economic Research Area assume the responsibility for the Economic Defense intelligence support activities of the Office of Research and Reports and that [redacted] positions, constituting the Trade Controls Branch, be added to its Table of Organization for this purpose.

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4. Until early in Fiscal Year 1956, the Office of the Chief, Coordination had, under its management responsibility, the Basic Intelligence Division, the Economic Defense Division, the Techniques and Methods Division, and the Secretariat of the Economic Intelligence Committee. On 1 August 1955, the Basic Intelligence Division was transferred organizationally out of the Office of Research and Reports. With the dissolution of the Economic Defense Division as an organic unit under this Office, there would remain only the Secretariat of the Economic Intelligence Committee and the Techniques and Methods Division representing a total of [redacted] positions, within the Coordination Area. It is felt that these two components actually provide staff support and coordination functions properly attached to the Office of the Assistant Director, and that an office of Chief for Coordination is no longer required.

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5. The Secretariat of the Economic Intelligence Committee executes secretariat responsibilities for the Economic Intelligence Committee for which the Assistant Director, Research and Reports is Chairman. It follows quite logically that the Secretariat could properly be located organizationally on the immediate staff of the Office of the Assistant Director rather than in a line echelon below this level.

6. The collection and coordination responsibilities of the Techniques and Methods Division in participation with other Government agencies, [REDACTED], result in liaison and field operational activities requiring substantive decisions and immediate administrative support which can only be provided, on the "crash" basis frequently required, by the Office of the Assistant Director.

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7. In a component of the present size of the Office of Research and Reports, with its many differing responsibilities for intelligence production and support including coordination of specialized collection and services, the need for a Deputy Assistant Director who can devote his full time to the over-all activities of the entire Office has become increasingly apparent. According to the existing Table of Organization for this Office, the Deputy Assistant Director functions also as Chief for Economic Research. This essentially dual position was established several years ago at a time when the Assistant Director was taking an immediate active interest in the development of an effective economic research organization within the Office. Having subsequently obtained the services of a highly effective director for economic research, assigned to this position, the Economic Research Area has grown into a well-knit and highly productive organization requiring the full time direction and guidance of a top level intelligence officer skilled in the direction of economic research. The current Chief for Economic Research, therefore, has been unable to fulfill properly the responsibilities of a Deputy Assistant Director. The workload of the Assistant Director and his Deputy will be further increased by the creation of two new staffs reporting to the Office of the Assistant Director. It follows that a position of Chief for Economic Research should be established in addition to the existing position of Deputy Assistant Director.

8. During the past year the functions of the Support Staff, Economic Area have developed into office-wide responsibilities no longer limited solely to the Economic Research Area. It is appropriate that these responsibilities be organizationally located at the OAD Staff level. In addition,

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a savings of three positions can be achieved through consolidation of this Staff with the Project Control Staff of the Office of the Assistant Director. This consolidation will not cause a serious reduction in the support, liaison and control functions now being performed by either Staff and which will continue within a proposed Control Staff, OAD.

B. Economic Research Area

1. Since June 1955, this Office has been engaged in a comprehensive review of the distribution of its personnel resources in relation to the changing pattern of economic intelligence priorities. This review has resulted in a series of recommendations for reallocation of personnel resources of the Economic Research Area to meet present and anticipated priority requirements.

2. This Office initiated this study by reviewing the Priority National Intelligence Objectives (DCID 4/5), all available directives, statements of priority economic intelligence research deficiencies, and statements of support requirements bearing upon the mission of the Economic Research Area. The review provided guidance for the formulation of the research program and the allocation of responsibilities within this program to every branch in the Area.

3. Before proceeding to a specific consideration of the professional personnel strength required by each branch in relation to its priority responsibilities, the Office recognized the existing imbalance in the professional-clerical ratio of the Economic Research Area as a whole and considered a professional-clerical ratio of approximately 3:1 to provide a balance which would permit the Area to maximize its intelligence production. However, in view of priority commitments for intelligence coverage of Bloc economic activities and continuing inability of the Agency to maintain existing clerical authorizations at full strength, the urgent necessity for professional personnel for priority research commitments was over-riding, but without prejudice to the long-range objective of establishing a professional to clerical ratio of 3:1 for the Area as a whole.

4. Having made this first examination, the problem of the reallocation of professional positions among the priority activities and within the existing personnel ceiling of the Area was studied. This was accomplished by first identifying and evaluating the additional personnel requirements of those activities which were clearly understaffed and second by examining closely all other activities to determine which positions could be transferred to fill these requirements internally. In effect, this required a re-evaluation of the strength, workload and mission of every branch and staff in the Economic Research Area. Among the factors considered in each case were the relative importance of the unit's mission, the nature and frequency of special demands, the adequacy

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of current organization and performance in relation to assigned responsibilities, the availability of intelligence data in the specific field of responsibility, anticipated changes in the priority workload, and the extent to which units Table of Organizations had already been affected by imposition of the new DD/I ceiling or reclassification of professional positions. (See FY 1957 Program ERA attachments)

5. At this point, it should be noted that two previous reallocations of personnel strength by informal detail had been undertaken by the Economic Research Area to meet specific new priority requirements just prior to the initiation of this review. These were the creation of an ad hoc Guided Missiles Staff with six professional personnel drawn from three of the four divisions to handle economic aspects of the guided missile intelligence effort; and the transfer of four positions from the Support Staff to the Military Economics Branch of Analysis Division to conduct priority research on the economic costs of the Soviet Bloc military programs. In order that economic research activities directed primarily toward the study of the Sino-Soviet Bloc military establishment be located within one organizational unit, the Military Economics Branch (augmented) should be transferred intact from the Analysis Division to the Industrial Division, and the so-called ad hoc Guided Missile Staff established as a Guided Missiles Branch of the Industrial Division.

6. CIA regulations state that the Assistant Director for Research and Reports, in fulfilling his mission of producing economic intelligence on the Sino-Soviet Bloc shall:

a. support the Office of Current Intelligence by providing all source current economic intelligence [redacted] and 25X1A

b. provide for: (1) prompt screening of intelligence materials within his office and selection and forwarding to the National Indications Center of any material concerning the Watch Committee's Mission through channels as established by the AD/CIA; (2) Representation [redacted] in the pre Watch Committee meetings; and (3) Support of and participation in meetings of the IAC Watch Committee when required [redacted]. 25X1A

7. In order to fulfill the above mission and implement the desire of the DD/I that the major part of the total staff within the DD/I complex providing current economic intelligence on the Sino-Soviet Bloc be placed under the direction of the Office of Research and Reports, the Office of Research and Reports created an ad hoc Current Support Staff. The activities of this staff are now well-defined and of a permanent nature. Therefore it is felt that the existence of a Current Support Staff (CSE) as an organic unit of this Office should be recognized on the Table of Organization. In order to carry out the responsibilities effectively, a Table of Organization for [redacted] positions is necessary. 25X1A

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8. The Capabilities Branch of the Analysis Division was originally established in 1952 for the purpose of conducting certain special types of studies, including national intersectoral accounting and analysis, special regional studies, and price and cost analyses. However, as the regional branches have become more experienced, they have acquired the capability to integrate into their regional aggregative studies the functions performed in the Capabilities Branch. The need for maintaining a special unit such as this has disappeared. It is felt that all the functions of the Capabilities Branch can be performed more efficiently and economically through a reallocation of these responsibilities and a redistribution of its strength to the remaining regional branches of the Analysis Division.

9. The Population and Manpower Branch should be transferred organizationally from the Services Division to the Analysis Division. Research on population, manpower, and labor force are a basic factor in estimating and evaluating the Bloc economies in aggregative and structural terms. The magnitude and composition of the population of Euro-Soviet Bloc countries are important aspects of the consumption and social services categories of the gross national product and are essential to the analysis of labor productivity in various sectors of the economy. With this Branch in the Analysis Division, it will be possible to coordinate more closely and adequately the activities of the regional branches with the population and manpower research which forms an important building block in nearly all aggregative studies which are undertaken in this Division.

10. In connection with the recent study of the program workload of the units of the Economic Research Area, significant inequities among the classification grade of positions involving essentially equivalent responsibilities became apparent. Although located physically in different divisions of the Economic Research Area and with varying commodity and area responsibilities, the level of professional skill and research methodology inherent to the positions at specified grades in the Economic Research Area are essentially equivalent. In general, uniformity of grade structure across division and branch lines should be applied in order to assure equitable treatment of all economic research personnel vis-a-vis the duties performed. Therefore the grade structure of each of the divisions of the Economic Research Area has been realigned in accordance with the following criteria:

- a. GS-15 - Division Chief, Deputy Division Chief, and Branch Chief
- b. GS-14 - Deputy Branch Chief and Section Chief

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- c. GS-13 - Project Leader
- d. GS-12 - Senior Analytical non-supervisory level
- e. GS-11 - Intermediate Analytical non-supervisory level
- f. GS-9 - Junior Analytical non-supervisory level
- g. GS-7 - Intelligence Research Assistant

C. Geographic Research Area

1. For several months there has been established and functioning in the Geography Division an informal staff on Soviet Mapping Intelligence. This staff is responsible for source development, and exploitation and utilization of all source material relating to Soviet mapping activities and mapping capabilities. This staff should be recognized as an organic unit of the Geography Division and established as such on the Table of Organization of the Agency. (Attachment #4)

2. In view of the assignment of a reduced ceiling authorization to the Geography Division, OER, it is felt that the research programs of the Western Europe and Western Hemisphere Branches are not of sufficiently high priority to require continuance of these two branches as organic units of OER. Essential requirements relating to these areas can be fulfilled by the remaining Branches of the Division. Geographic intelligence production on all foreign areas in accordance with the Division's mission could be properly assigned by broadening the coverage of the Satellites and NE/A Branches and redesignating them the Europe and NE/A/WE Branches respectively.

IV. CONCLUSIONS:

Several major changes in organization and in internal Branch strengths of the Office of Research and Reports are necessary at this time in order to meet changing emphases and priorities in intelligence production and intelligence support commitments to other parts of the Government that properly fall within OER's area of responsibility.

V. RECOMMENDATIONS:

1. The Coordination Area be abolished as a component of the Office of Research and Reports.

2. The Economic Defense Division be abolished and its responsibilities transferred to the Services Division of the Economic Research Area.

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3. A Trade Controls Branch be established within the Services Division to carry on the essential functions of the Economic Defense Division.

4. The Techniques and Methods Division be redesignated and reorganized and established as a special staff to the Assistant Director.

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5. The Economic Intelligence Committee/Secretariat be functionally attached as a staff to the Office of the Assistant Director.

6. The duties of Deputy Assistant Director and Chief, Economic Research be separated and a position of Chief, Economic Research, GS-17, be established.

7. The Support Staff, ERA and the Projects Control Staff, OAD be combined into one new Control Staff, OAD.

8. The Military Economics Branch be transferred from the Analysis Division to the Industrial Division and a Guided Missiles Branch be established in the Industrial Division.

9. The Current Support Staff be established as a Table of Organization unit and staff to the Chief, Economic Research.

10. The Capabilities Branch be abolished and its strength redistributed among the other Branches of the Analysis Division.

11. The Population and Manpower Branch of the Services Division be transferred to the Analysis Division.

12. Branch strengths and position grade structure be reallocated in accordance with the attached Table of Organization Listing.

13. The Staff on Soviet Mapping Intelligence be recognized as a Table of Organization unit of the Geography Division.

14. The Western Europe and Western Hemisphere Branch be abolished, their missions transferred to the Satellites Branch and Near-East Africa Branch respectively and the Satellites Branch be redesignated the Europe Branch and the Near East-Africa Branch redesignated the Near East-Africa/Western Hemisphere Branch.

15. The Office of the Chief, Economic Research together with the Staffs of the Chief, Economic Research and the Industrial Division, the Materials Division, the Services Division and the Analysis Division be formally established as the

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Economic Research Area of the Office of Research and Reports; and the Office of the Chief, Geographic Research and the Geography Division, the Cartography Division, the Map Library Division, and the Photo-Intelligence Division be formally established as the Geographic Research Area of the Office of Research and Reports.

OTTO E. GUNNE
Assistant Director
Research and Reports

- Attachment 1 - Organization Chart (Rev)
- Attachment 2 - Present & Proposed Table of Organization Position Listing
- Attachment 3 - Grade Comparison
- Attachment 4 - Revised Mission & Function Statements
- Attachment 5 - FY 1957 ERA Program (original copy only)